

Message Text

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PAGE 01 RIO DE 00831 241956Z

71

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 INT-05 OES-05

FEA-01 L-03 NSC-05 SS-15 STR-04 CEA-01 /115 W

----- 112810

R 241838Z FEB 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC 3406

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 0831

E. O. 11652: N/A

TAGS: BEXP, ETRD, ECON, EIND, BR

SUBJ: GOB FISCAL INCENTIVES FOR INDUSTRIAL PROJECTS

REF.: A) RIO A-94 OF DEC. 16, 1975

B) STATE 37085

1. DECREE NO. 77,065 OF JAN. 20, 1976 IMPLEMENTED DECREE-LAW 1428 OF DECEMBER 2, 1975. AS REPORTED IN REF A, THE EFFECT OF THE LEGISLATION IS TO END, EXCEPT IN VERY SPECIAL CIRCUMSTANCES, THE EXEMPTION FROM CUSTOMS AND IPI (VALUE-ADDED TAX) LEVIES FOR IMPORTS FOR PROJECTS WHICH HAVE THE APPROVAL OF THE INDUSTRIAL DEVELOPMENT COUNCIL. AS REF B, STATES, THE NEW SCHEME ALLOWS 50 PERCENT REDUCTION IN THESE DUTIES FOR SECTORS ON THE CDI-APPROVED LIST. AN 80 PERCENT REDUCTION IS ALLOWED FOR CDI-APPROVED PROJECTS IN HIGHEST PRIORITY SECTORS.

2. THE HIGHEST PRIORITY SECTORS ARE AS FOLLOWS:

A) PRODUCTION OF MACHINERY AND EQUIPMENT AND THEIR COMPONENTS;

B) MACHINERY AND EQUIPMENT FOR AGRICULTURE, HIGHWAYS AND FOR
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UNCLASSIFIED

PAGE 02 RIO DE 00831 241956Z

EXPLORATION OF FORESTRY RESOURCES;

C) PRODUCTION OF COMPONENTS FOR THE ELECTRIC, ELECTRONIC AND MECHANICAL INDUSTRIES;

D) PRODUCTION OF RAILWAY MATERIALS;

E) PRODUCTION OF AUTOMOTIVE VEHICLES FOR PUBLIC TRANSPORTATION;

F) NAVAL AND AERONAUTIC CONSTRUCTION;

G) SIDERURGY AND PRIMARY METALLURGY OF NON-FERROUS METALS;

H) PRODUCTION OF CEMENT AND REFRACTORY MATERIALS;

I) PRODUCTION OF CELLULOSE AND PAPER;

J) PRODUCTION OF FERTILIZERS AND PEST CONTROL CHEMICALS AND THEIR RAW MATERIALS;

1) PRODUCTION OF BASIC CHEMICAL AND PHARMACEUTICAL RAW MATERIALS;

M) PETROCHEMICAL INDUSTRY;

N) MINING INDUSTRY;

O) INDUSTRIES AND ACTIVITIES LINKED WITH NATIONAL SECURITY, DEFINED BY THE NATIONAL SECURITY COUNCIL.

3. COMPANIES OPERATING UNDER THE BEFIEX PROGRAM (SPECIAL EXPORT PROGRAMS) MAY RECEIVE 70-90 PERCENT REDUCTIONS IN LEVIES ON IMPORTS OF MACHINERY AND TOOLS AND 50 PERCENT REDUCTION IN RAW MATERIALS, COMPONENTS AND INTERMEDIATE PRODUCTS.

4. AIRGRAM ENCLOSING INFORMAL TRANSLATION OF DECREE 77,065 BEING TRANSMITTED.

DEXTER

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 24 FEB 1976
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: n/a
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Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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